

## FY 2001-02 BUDGET

### BUDGET SECTION SUMMARY

Section Title:

RUSSIAN RIVER COUNTY SANITATION DISTRICT

**A. Program Description**

This budget finances operation, maintenance, and administration of a collection system, pumping stations, a treatment plant, and disposal facilities which serve the Russian River area.

**B. Financial Summary**

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 00-01 Adopted	FY 01-02 Requested	Percent Change	FY 00-01 Adopted	FY 01-02 Requested	Percent Change
Operations	\$2,818,916	\$2,985,500	5.91%	\$812,581	\$867,343	6.74%
Bonds	100,450	96,950	(3.48%)	(67,800)	(71,300)	5.16%
Revenue Bonds	74,250	72,000	(3.03%)	(54,000)	(56,250)	4.17%
Construction	783,875	593,000	(24.35%)	283,215	116,000	(59.04%)
<b>TOTAL:</b>	<b>\$3,777,491</b>	<b>\$3,747,450</b>	<b>(0.80%)</b>	<b>\$973,996</b>	<b>\$855,793</b>	<b>(12.14%)</b>

**C. Staffing Summary**

No staffing is allocated to this index.

**D. Workload Summary**

Workload Indicator	FY 99-00 Actual	FY 00-01 Budget Estimate	FY 00-01 Revised Estimate	FY 01-02 Projected	Change from FY 00-01 Budget Estimate
TOTAL ESDs	3,069	3,076	3,092	3,128	1.69%
TOTAL APNs	3,322	3,320	3,321	3,321	0.03%

**E. Summary of Issues and Significant Changes**

The requested rate per ESD for FY 2001-02 annual service charges is \$707, representing a 6.48% increase from FY 00-01. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 00-01 budget. This revenue change is due to the rate increase and the fact that projected ESDs for FY 01-02 are higher than the FY 00-01 budget estimate.

The Russian River CSD treatment plant was completed in September 1980 and began operating in 1982. The Russian River CSD treatment plant is designed to treat an average daily dry weather flow of up to 7.1 million gallons per day (mgd) to advanced (tertiary) wastewater treatment standards. There has been no expansion of any treatment plant components since the system began operating. The treatment plant has historically experienced operational problems associated with flooding on the Russian River and with insufficient dry-weather disposal capacity. During flood events, inflows in excess of 1.2 to 1.8 mgd are treated to primary standards and discharged into the Russian River.

## **E. Summary of Issues and Significant Changes (continued)**

The Russian River CSD irrigates approximately 20 acres of forest area adjacent to the treatment plant (referred to as the Burch property) and approximately 40 acres of the Northwood Golf Course. The Northwood Golf Course has not been able to achieve the disposal rate which was expected when the treatment plant was constructed. As a result, increased irrigation has been required at the Burch property. Expansion of the dry-weather disposal area is necessary under current conditions and will become more important as dry-weather inflows to the treatment plant increase as a result of a mandatory connection ordinance (Ordinance 39) passed by the Russian River CSD Board of Directors in September, 1996. Only a couple of developed properties within the Russian River CSD service area remain to be connected to the sewer system. Legal action has been taken to connect the few remaining parcels that have not complied with Ordinance 39 voluntarily.

Since the Russian River CSD treatment plant was constructed, several facilities have worn out or become obsolete. Components that have been upgraded include all of the main lift station pumps and the aerators. Components that still need to be upgraded or replaced include the headworks and chlorination contact chamber. Replacement or upgrade of these components is necessary to increase the reliability of the Russian River CSD collection system and treatment process and to reduce operational costs.

The Russian River CSD Board of Directors approved a scope of work and budget for preliminary engineering and environmental documentation on September 10, 1996 to address operational problems associated with Russian River flood events, the irrigation system, and obsolete equipment at the Russian River CSD treatment plant. Work on an Environmental Impact Report (EIR) began in 1997 after a citizens advisory committee, consisting of residents within the Russian River CSD service area, was formed and began meeting with Russian River CSD staff.

On January 30, 1997, the NCRWQCB adopted Order No. 97-9, "Cease and Desist Order for the Russian River County Sanitation District and the Sonoma County Water Agency". In response to this order, the Agency filed a "Report on Order No. 97-9" on March 15, 1997, and a revised report dated March 25, 1997, which proposed to address the issues cited in the Cease and Desist Order by completing an EIR by January 2000, and completing phase 1 of the solution by January 2003. The RWQCB responded by adopting Order 97-76 which rescinded the Cease and Desist Order, and required that the EIR be completed by May, 1999, and the project completed by March, 2001.

The Russian River CSD released the Russian River County Sanitation District Facility Upgrades and Disposal Expansion Project Draft EIR, in accordance with Order 97-76 in September 1998. The Facility Upgrades and Disposal Expansion Project Final EIR was set aside in March of 1999 due to public concern regarding the lack of a precise project description. In April 1999, the Board directed Russian River CSD Board directed staff to proceed with an environmental analysis for the construction of the third aeration basin, secondary clarifier, and tertiary filter at the treatment facility, also known as the Third Unit Processes Project, and identify additional items needed to address flood related issues.

In May 1999, the Russian River CSD Board gave staff direction regarding work on three projects previously addressed in the 1999 Final EIR. Staff was directed to proceed with environmental documentation for increased disinfection capacity and wet weather inflow treatment (previously called equalization storage) opportunities and to delay work on disposal facilities expansion opportunities for approximately one year. Implementation of the Third Unit Processes Project has been delayed due to the filing of a lawsuit on the project in June of 1999. In early 2001, the Russian River CSD received a favorable ruling on the Third Unit Processes Project lawsuit. The Russian River CSD has secured a grant to fund a portion of the Third Unit Processes Project and plans to implement the project if the ruling is not appealed.

**E. Summary of Issues and Significant Changes (continued)**

On May 28, 1998 the NCRWQCB issued Cease and Desist Order No. 98-57 (Order No. 98-57) to the Russian River CSD and the Sonoma County Water Agency for permit violations at the treatment plant during the flood event of February of 1998. Although the Agency appealed Order No. 98-57, two reports detailing short term and long term solutions to prevent discharges contrary to the Russian River CSD's Waste Discharge Requirements were submitted to the NCRWQCB in accordance with Order No. 98-57. Specific studies and other measures identified in the reports have been completed or are underway as required by the NCRWQCB. Although the appeal of Order N. 98-57 has not been completely resolved, the Russian River CSD and NCRWQCB are negotiating a plan for the Russian River CSD which will satisfy both parties and, hopefully, resolve any outstanding issues with Order No. 98-57

**LEVEL OF SERVICE**

In order to develop operational priorities and staffing needs for the sanitation systems, three basic levels of service have been defined by the Water Agency and are described below.

Asset Preservation: services and programs necessary to **operate, maintain and replace** facility assets.

Standard: services necessary to **operate and maintain** the system in order to limit the risk of service interruption and permit violations.

Minimum: services necessary to **operate** the treatment plant.

Projected FY 2000-01 operating revenues provide sufficient funding for a Standard Level of Service, contingency funding, and substantial capital replacement funding. An additional \$470,000 in annual revenue will provide an Asset Preservation Level of Service under current operational conditions.

**F. Summary of Reduction Options**

No reduction options are proposed.

**G. Attachments**

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

# FY 2001-02 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

Section Title:                   RUSSIAN RIVER CSD - OPERATIONS  
 Section/Index No:           652107

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
1001 Flat Charges - CY	\$1,860,329	\$1,980,802	\$120,473	6.48%
1007 Flat Charges - CY Sec July	5,000	5,000	0	0.00%
1061 Flat Charges - PY	100,000	100,000	0	0.00%
1120 Penalties / Costs on Taxes	15,000	15,000	0	0.00%
<b>Subtotal Taxes</b>	<b>\$1,980,329</b>	<b>\$2,100,802</b>	<b>\$120,473</b>	<b>6.08%</b>
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$6,750	\$6,750	\$0	0.00%
<b>Subtotal Use of Money</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>CHARGES FOR SERVICES</u></b>				
3400 Sanitation Services	\$19,256	\$10,605	(\$8,651)	(44.93%)
<b>Subtotal Charges for Services</b>	<b>\$19,256</b>	<b>\$10,605</b>	<b>(\$8,651)</b>	<b>(44.93%)</b>
<b>TOTAL REVENUES</b>	<b>\$2,006,335</b>	<b>\$2,118,157</b>	<b>\$111,822</b>	<b>5.57%</b>

### EXPENDITURES:

#### **SERVICES AND SUPPLIES**

6040 Communications	\$12,500	\$25,000	\$12,500	100.00%
6180 Maintenance - Bldgs / Impr	150,000	150,000	0	0.00%
6262 Lab Supplies	4,000	4,000	0	0.00%
6522 District Services	910,000	945,000	35,000	3.85%
6570 Consultant Services	27,500	20,000	(7,500)	(27.27%)
6573 Administration Costs	18,500	18,500	0	0.00%
6610 Legal Services	18,000	35,000	17,000	94.44%
6630 Audit / Accounting Services	15,756	16,000	244	1.55%
7212 Chemicals	35,000	35,000	0	0.00%
7217 State Permits / Fees	50,000	100,000	50,000	100.00%
7247 Water Conservation	10,000	10,000	0	0.00%
7320 Utilities	130,000	160,000	30,000	23.08%
<b>Subtotal Services and Supplies</b>	<b>\$1,381,256</b>	<b>\$1,518,500</b>	<b>\$137,244</b>	<b>9.94%</b>

**SUMMARY OF REVENUES AND EXPENDITURES**

Index No.: 652107

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
<b><u>OTHER CHARGES</u></b>				
7930 Interest LT Debt	\$0	\$0	\$0	N/A
7970 Taxes / Assessments	0	0	0	N/A
7980 Depreciation	800,000	850,000	50,000	6.25%
8090 Loss on Fixed Assets	0	0	0	N/A
<b><i>Subtotal Other Charges</i></b>	<b>\$800,000</b>	<b>\$850,000</b>	<b>\$50,000</b>	<b>6.25%</b>
<b><u>FIXED ASSETS</u></b>				
8510 Buildings / Improvements	\$0	\$0	\$0	N/A
8560 Equipment	0	0	0	N/A
<b><i>Subtotal Fixed Assets</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>OTHER FINANCING USES</u></b>				
8625 OT - W/in Special Dist - BOS	\$587,660	\$567,000	(\$20,660)	(3.52%)
<b><i>Subtotal Other Financing Uses</i></b>	<b>\$587,660</b>	<b>\$567,000</b>	<b>(\$20,660)</b>	<b>(3.52%)</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
9000 Approp for Contingencies	\$50,000	\$50,000	\$0	0.00%
<b><i>Subtotal Approp for Contingencies</i></b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9210 Advances	\$66,000	\$66,000	\$0	0.00%
9219 Advances - Clearing	(66,000)	(66,000)	0	0.00%
9220 Contributed Capital	0	0	0	N/A
9229 Contributed Capital - Clearing	0	0	0	N/A
<b><i>Subtotal Administrative Control</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$2,818,916</b>	<b>\$2,985,500</b>	<b>\$166,584</b>	<b>5.91%</b>

<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$812,581</b>	<b>\$867,343</b>	<b>\$54,762</b>	<b>6.74%</b>
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**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation  
**Section Title:** Russian River CSD - Operations  
**Character Title:** Taxes **Character No.:** 652107-10

**1001 Flat Charges - CY**

Flat charge revenue from annual service charges is expected to increase from the adopted FY 00 01 budget. The rate will increase 6.47%, from \$664 to \$707 and the number of ESDs charged on the tax roll is expected to remain at 3,113 for FY 01-02.

ESDs times annual rate:	3,113 x \$707	\$2,200,891
Less Estimated Delinquency Factor:	10%	(220,089)
		<u>\$1,980,802</u>

**1061 Flat Charges - PY**

This item records the estimated delinquent amount of prior years sewer service charges.

**1120 Penalties/Costs on Taxes**

This item records penalties paid on delinquent sewer service charges.

**Character Title:** Use of Money **Character No.:** 652107-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$150,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	<u>\$6,750</u>

**Character Title:** Charges for Services **Character No.:** 652107-30

**3400 Sanitation Services**

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 00-01 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$664 to \$696. The number of invoiced entities is estimated to decrease from 29 in FY 00-01 to 15 in FY 01-02.

ESDs x Annual Charge	15 x \$707	=	\$10,605
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**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Russian River CSD - Operations

**Character Title:** Services and Supplies

**Character No.:** 652107-60

**6040 Communications**

This account records expenses paid by the District for outside communication services such as Pacific Bell and AT&T, as well as for the cost of alarm services provided by Honeywell.

**6180 Maintenance - Bldgs / Impr**

This account records the cost of parts and materials required to maintain the collection system and treatment facilities.

**6262 Laboratory Supplies**

This account records the cost of lab supplies required for testing and monitoring wastewater.

**6522 District Services**

This account records the cost of labor and overhead required for operation and maintenance of the District's facilities and equipment, as well as other related service and supply items. The increase in the requested budget more accurately reflects actual expenses in this account.

**6570 Consultant Services**

Appropriations are requested to provide funding for NPDES permit negotiations.

**6573 Administration Costs**

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

**6610 Legal Services**

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

**6630 Audit / Accounting Services**

This item represents an estimate from the Auditor's Office for the FY 01-02 expense for the audit of the previous fiscal year (\$5,500, as set forth in the Budget Instructions). In addition, this item records the direct allocation of Auditor-Controller Fiscal Services staff costs for time expected to be spent on District accounting.

**7212 Chemicals**

This account records the cost of chemicals required for operation of the treatment plant in accordance with the District's NPDES permit, as required by the State Water Quality Control Board.

**7217 State Permits / Fees**

This account records the cost of obtaining the District's permits related to NPDES, as mandated by the Regional Water Quality Control Board.

**7247 Water Conservation**

An EIR is currently being prepared as a result of a Cease and Desist Order issued to the Russian River CSD. The EIR is required to discuss the potential reduction in influent flows due to water conservation. The amount requested to be budgeted in this account for FY 01-02 represents an estimate of the minimum cost required to implement a reasonable water conservation program.

**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Russian River CSD - Operations

**Character Title:** Other Charges

**Character No.:** 652107-75

**7320 Utilities**

This account records the cost of utilities, such as gas, electricity, and water.

**7980 Depreciation**

Generally accepted accounting principles require that depreciation be expensed each year.

**Character Title:** Fixed Assets

**Character No.:** 652107-85

**8510 Buildings / Improvements**

There are no Buildings / Improvements Projects planned for FY 01-02.

**8560 Equipment**

No expenditures for equipment are planned for the forthcoming year.

**Character Title:** Other Financing Uses

**Character No.:** 652107-86

**8625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the operations fund to the revenue bond fund to cover principal and interest payments, as well as to the construction fund to finance the capital replacement program. If the operations fund does not have sufficient cash available to finance planned capital projects, the transfer to the construction fund will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Transfer to Revenue Bond Fund	\$117,000
Transfer to Construction Fund	450,000
Total Operating Transfer	<u>\$567,000</u>

**Character Title:** Appropriations for Contingencies

**Character No.:** 652107-90

**9000 Appropriations for Contingencies**

This account provides funding for unanticipated expenditures or revenue shortfalls.

**Character Title:** Administrative Control Account

**Character No.:** 652107-92

**9210 Advances**

This account reflects increment payments to the County General Fund on a long term, interest free loan received for operating purposes (and not supported by EPA grant reimbursement). Annually, the District is required to repay \$66,000 on this outstanding loan. The loan balance on July 1, 2000 was \$548,153. Subtracting the annual payment of \$66,000, the outstanding loan balance on July 1, 2001 will be \$482,153.

**9219 Advances - Clearing**

This is the clearing account for sub-object 9210, Advances.



**FY 2001-02 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Russian River CSD - Operations  
**Index No.:** 652107

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting</b> (See Detailed Components Below)	<b>\$393,538</b>	<b>\$487,413</b>	<b>\$502,528</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	2,032,268	2,022,500	2,118,157
Expenditures - (Decrease) retained earnings	(2,635,004)	(2,741,385)	(2,985,500)
<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>(602,736)</b>	<b>(718,885)</b>	<b>(867,343)</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
7980 Depreciation	732,028	800,000	850,000
8090 Loss on Fixed Assets		0	0
9210 Advances (to County General Fund)	(66,000)	(66,000)	(66,000)
Adjustments - Contributed Capital	0	0	0
Adjustments - Loss on Fixed Asset	0	0	0
Net Change in Encumbrance	30,578	0	0
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>696,606</b>	<b>734,000</b>	<b>784,000</b>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting</b>	<b>487,408</b>	<b>502,528</b>	<b>419,185</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$93,870</b>	<b>\$15,115</b>	<b>(\$83,343)</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/99</u></b>	<b><u>7/1/00</u></b>	
Cash	\$276,320	\$295,285	
Accounts Receivable	0	0	
Other Receivables (Flat Charges)	273,075	283,386	
Due from Other Governments	0	0	
Due to Other Funds	(66,000)	(66,000)	
Accounts Payable	(50,697)	(16,675)	
Interest Payable	0	0	
Encumbrances (Contract)	(39,160)	(8,583)	
<b>Total Beginning Retained Earnings</b>	<b>\$393,538</b>	<b>\$487,413</b>	

**FY 2001-02 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** RUSSIAN RIVER CSD - BONDS  
**Section/Index No:** 652206

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
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**REVENUES:**

**TAXES**

1000 Prop Taxes - CY Secured	\$150,000	\$150,000	\$0	0.00%
1020 Prop Taxes - CY Supplemental	1,500	1,500	0	0.00%
1040 Prop Taxes - CY Unsecured	1,000	1,000	0	0.00%
1060 Prop Taxes - PY Secured	0	0	0	N/A
<b>Subtotal Taxes</b>	<b>\$152,500</b>	<b>\$152,500</b>	<b>\$0</b>	<b>0.00%</b>

**USE OF MONEY**

1700 Interest on Pooled Cash	\$15,750	\$15,750	\$0	0.00%
<b>Subtotal Use of Money</b>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$0</b>	<b>0.00%</b>

<b>TOTAL REVENUES</b>	<b>\$168,250</b>	<b>\$168,250</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES:**

**SERVICES AND SUPPLIES**

6635 Fiscal Agent Fees	\$200	\$200	\$0	0.00%
<b>Subtotal Services and Supplies</b>	<b>\$200</b>	<b>\$200</b>	<b>\$0</b>	<b>0.00%</b>

**OTHER CHARGES**

7920 Interest	\$100,250	\$96,750	(\$3,500)	(3.49%)
<b>Subtotal Other Charges</b>	<b>\$100,250</b>	<b>\$96,750</b>	<b>(\$3,500)</b>	<b>(3.49%)</b>

**ADMINISTRATIVE CONTROL ACCOUNT**

9200 Ent - Principal	\$70,000	\$75,000	\$5,000	7.14%
9209 Ent - Principal Clearing	(70,000)	(75,000)	(5,000)	7.14%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$100,450</b>	<b>\$96,950</b>	<b>(\$3,500)</b>	<b>(3.48%)</b>
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<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>(\$67,800)</b>	<b>(\$71,300)</b>	<b>(\$3,500)</b>	<b>5.16%</b>
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**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation  
**Section Title:** Russian River CSD - Bonds

**Character Title:** Taxes **Character No.:** 652206-10

**1000 Prop Taxes - CY Secured**

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

**1020 Prop Taxes - CY Supplemental**

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

**1040 Prop Taxes - CY Unsecured**

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

**1060 Prop Taxes - PY Secured**

No amount is recommended since no revenue has been received in this account in recent years.

**Note:** The FY 2001-02 bond payment amount (principal and interest) is \$171,750. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

**Character Title:** Use of Money **Character No.:** 652206-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$350,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	\$15,750

**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation  
**Section Title:** Russian River CSD - Bonds

**Character Title:** Services and Supplies **Character No.:** 652206-60

**6635 Fiscal Agent Fees**

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

**Character Title:** Other Charges **Character No.:** 652206-75

**7920 Interest**

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5%. Payments began July 1, 1980 and will continue semi-annually until July 1, 2018. The FY 01-02 request is based on the bond amortization schedule prepared at the time the bonds were sold.

**Character Title:** Administrative Control Account **Character No.:** 652206-92

**9200 Ent - Principal**

This account reflects the principal expense for general obligation bonds that were issued in 1979 to finance the local share of a wastewater collection system. Payments on the bonds will continue until July 1, 2018. The FY 01-02 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	\$2,900,000
Total FY 80-81 through FY 99-00 Principal Payments:	(895,000)
FY 00-01 Principal Payment:	(70,000)
	<hr/>
Outstanding Bond Amount 6/30/01	\$1,935,000

**9209 Ent - Principal Clearing**

This is the clearing account for sub-object 9200, Ent - Principal.

**FY 2001-02 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Russian River CSD - Bonds  
**Index No.:** 652206

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)</b>	<b>\$322,226</b>	<b>\$302,436</b>	<b>\$280,386</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	154,010	148,250	168,250
Expenditures - (Decrease) retained earnings	(103,800)	(100,300)	(96,950)
<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>50,210</b>	<b>47,950</b>	<b>71,300</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
9200 Enterprise Principal	(70,000)	(70,000)	(75,000)
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>(70,000)</b>	<b>(70,000)</b>	<b>(75,000)</b>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting</b>	<b>302,436</b>	<b>280,386</b>	<b>276,686</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)</b>	<b>(\$19,790)</b>	<b>(\$22,050)</b>	<b>(\$3,700)</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/99</u></b>	<b><u>7/1/00</u></b>	
Cash	\$322,226	\$302,436	
Accounts Payable	0	0	
Matured Principal Payable	0	0	
Interest Payable	0	0	
<b>Total Beginning Retained Earnings</b>	<b>\$322,226</b>	<b>\$302,436</b>	

**FY 2001-02 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** RUSSIAN RIVER CSD - REVENUE BONDS  
**Section/Index No:** 652214

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

1700 Interest on Pooled Cash	\$11,250	\$11,250	\$0	0.00%
<b>Subtotal Use of Money</b>	<b>\$11,250</b>	<b>\$11,250</b>	<b>\$0</b>	<b>0.00%</b>

**OTHER FINANCING SOURCES**

4625 OT - W/in Special District - BOS	\$117,000	\$117,000	\$0	0.00%
<b>Subtotal Other Financing Sources</b>	<b>\$117,000</b>	<b>\$117,000</b>	<b>\$0</b>	<b>0.00%</b>

<b>TOTAL REVENUES</b>	<b>\$128,250</b>	<b>\$128,250</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES:**

**OTHER CHARGES**

7920 Interest	\$74,250	\$72,000	(\$2,250)	(3.03%)
<b>Subtotal Other Charges</b>	<b>\$74,250</b>	<b>\$72,000</b>	<b>(\$2,250)</b>	<b>(3.03%)</b>

**ADMINISTRATIVE CONTROL ACCOUNT**

9200 Ent - Principal	\$45,000	\$45,000	\$0	0.00%
9209 Ent - Principal Clearing	(45,000)	(45,000)	0	0.00%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$74,250</b>	<b>\$72,000</b>	<b>(\$2,250)</b>	<b>(3.03%)</b>
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<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>(\$54,000)</b>	<b>(\$56,250)</b>	<b>(\$2,250)</b>	<b>4.17%</b>
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**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Russian River CSD - Revenue Bonds

**Character Title:** Use of Money

**Character No.:** 652214-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$250,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	\$11,250

**Character Title:** Other Financing Sources

**Character No.:** 652214-46

**4625 OT - W/in Special Dist - BOS**

The revenues supporting the revenue bond are collected in the operations fund. This account reflects the transfer of cash from operations to the revenue bond fund to cover the annual principal and interest payment.

**Character Title:** Other Charges

**Character No.:** 652214-75

**7920 Interest**

This account reflects the interest expense on the outstanding revenue bonds. The interest rate is 5%. Payments began April 1, 1982 and will continue semi-annually until April 1, 2020. The FY 01-02 request is based on the bond amortization schedule prepared at the time the bonds were sold.

**Character Title:** Administrative Control Account

**Character No.:** 652214-92

**9200 Ent - Principal**

This account reflects the principal expense for the revenue bonds that were issued in 1981. Payments on the bonds will continue until April 1, 2020. The FY 01-02 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$2,000,000
Total FY 82-83 through FY 98-99 Principal Payments:	(515,000)
FY 00-01 Principal Payment:	(45,000)
Outstanding Bond Amount 6/30/01	\$1,440,000

**9209 Ent - Principal Clearing**

This is the clearing account for sub-object 9200, Ent - Principal.

## STATEMENT OF SPECIAL FUND ACTIVITY

**Department:** Sonoma County Water Agency - Sanitation

**Section:** Russian River CSD - Revenue Bonds

**Index No.:** 652214

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)</b>	<b>\$156,672</b>	<b>\$171,470</b>	<b>\$180,470</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	135,548	128,250	128,250
Expenditures - (Decrease) retained earnings	(75,750)	(74,250)	(72,000)
<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>59,798</b>	<b>54,000</b>	<b>56,250</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
9200 Increase in Matured Bonds Payable	(5,000)		
9200 Ent - Principal	(40,000)	(45,000)	(45,000)
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>(45,000)</b>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting</b>	<b>171,470</b>	<b>180,470</b>	<b>191,720</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)</b>	<b>\$14,798</b>	<b>\$9,000</b>	<b>\$11,250</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/99</u></b>	<b><u>7/1/00</u></b>	
Cash	\$211,296	\$231,698	
Other Receivables	4,439	3,335	
Revenue Bonds Payable (Current)	(40,000)	(45,000)	
Contract Retention Payable	0	0	
Interest Payable	(19,063)	(18,563)	
<b>Total Beginning Retained Earnings</b>	<b>\$156,672</b>	<b>\$171,470</b>	



**FY 2001-02 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Russian River CSD - Revenue Bonds Reserve  
**Index No.:** 652255

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting</b> (See Detailed Components Below)	<b>\$121,250</b>	<b>\$121,250</b>	<b>\$121,250</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	0	0	0
Expenditures - (Decrease) retained earnings	0	0	0
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	0	0	0
<b>Adjustments to Reserves/Encumbrances:</b>			
No Adjustments Required			
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	0	0	0
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting</b>	<b>121,250</b>	<b>121,250</b>	<b>121,250</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/99</b>	<b>7/1/00</b>	
Cash	\$121,250	\$121,250	
Other Receivables	0	0	
Contract Retention Payable	0	0	
Encumbrances (PO)	0	0	
<b>Total Beginning Retained Earnings</b>	<b>\$121,250</b>	<b>\$121,250</b>	

# FY 2001-02 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

Section Title:                   RUSSIAN RIVER CSD - CONSTRUCTION  
 Section/Index No:           652305

Sub-Object No. and Title	Adopted 2000-01	Requested 2001-02	Difference	Percent Change
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### REVENUES:

#### USE OF MONEY

1700 Interest on Pooled Cash	\$30,000	\$27,000	(\$3,000)	(10.00%)
<b>Subtotal Use of Money</b>	<b>\$30,000</b>	<b>\$27,000</b>	<b>(\$3,000)</b>	<b>(10.00%)</b>

#### ADMINISTRATIVE CONTROL

4220 Contributed Capital	\$0	\$0	\$0	N/A
4229 Contributed Capital - Clearing	0	0	0	N/A
<b>Subtotal Other Financing Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

#### OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$470,660	\$450,000	(\$20,660)	(4.39%)
<b>Subtotal Other Financing Sources</b>	<b>\$470,660</b>	<b>\$450,000</b>	<b>(\$20,660)</b>	<b>(4.39%)</b>

<b>TOTAL REVENUES</b>	<b>\$500,660</b>	<b>\$477,000</b>	<b>(\$23,660)</b>	<b>(4.73%)</b>
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### EXPENDITURES:

#### FIXED ASSETS

8500 Land	\$0	\$0	\$0	N/A
8510 Building / Improvement	758,875	363,000	(395,875)	(52.17%)
9142 Capital Replacement Program	25,000	230,000	205,000	820.00%
9199 Rebudget - Bldg / Impr	0	0	0	N/A
<b>Subtotal Fixed Assets</b>	<b>\$783,875</b>	<b>\$593,000</b>	<b>(\$190,875)</b>	<b>(24.35%)</b>

<b>TOTAL EXPENDITURES</b>	<b>\$783,875</b>	<b>\$593,000</b>	<b>(\$190,875)</b>	<b>(24.35%)</b>
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<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>\$283,215</b>	<b>\$116,000</b>	<b>(\$167,215)</b>	<b>(59.04%)</b>
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**FY 2001-02 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Russian River CSD - Construction

**Character Title:** Use of Money

**Character No.:** 652305-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$600,000
Projected Interest Rate	4.50%
Projected/Planned Interest on Pooled Cash	\$27,000

**Character Title:** Other Financing Sources

**Character No.:** 652305-46

**4625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the operations fund to the construction fund to finance the capital replacement program. If the operations fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

**Character Title:** Fixed Assets

**Character No.:** 652305-85

**8510 Buildings / Improvements**

This account can be used to provide capacity to new users pursuant to the County General Plan (using connection fee revenue), as well as for treatment plant and reclamation system improvement projects.

The following Plant/Reclamation Improvement projects are planned for FY 01-02:

	<u>PCAS No.</u>	<u>Amount</u>
Third Unit Processes Project	3653	50,000
Third Unit Processes Project Lawsuit	3660	5,000
EIR - Disposal Irrigation	TBD	100,000
Boundary Expansion/Environmental Studies	3550	5,000
Return Activated Sludge Control Valve	3612	50,000
Beanwood Lift Station	3717	51,000
Guerneville Lift Station - Electrical Service upgrade	TBD	51,000
Guernwood Park Lift Station - Electrical Service upgrade	TBD	51,000
Subtotal for Buildings / Improvements (Sub-object 8510)		\$363,000

**9142 Capital Replacement Program**

PCAS No. TBD \$230,000

This requested amount is intended to fund repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation infrastructure.

**Total Request - Character 85** \$593,000

**FY 2001-02 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Russian River CSD - Construction  
**Index No.:** 652305

DESCRIPTION OF FUND ACTIVITY	Actual FY 99-00	Estimated FY 00-01	Requested FY 01-02
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting</b> (See Detailed Components Below)	<b>\$853,747</b>	<b>\$283,215</b>	<b>\$138,000</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	631,244	500,660	477,000
Expenditures - (Decrease) retained earnings	(1,028,246)	(645,875)	(593,000)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	(397,002)	(145,215)	(116,000)
<b>Adjustments to Reserves/Encumbrances:</b>			
4220 Contributed Capital	40,670	-	
Capitalized Interest	(91,149)		
Change in Encumbrances	(123,053)		
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	(173,532)	-	0
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting</b>	<b>283,213</b>	<b>138,000</b>	<b>22,000</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>(\$570,534)</b>	<b>(\$145,215)</b>	<b>(\$116,000)</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/99</u></b>	<b><u>7/1/00</u></b>	
Cash	\$913,018	\$425,509	
Other Receivables	2,747	1,644	
Accounts Payable	(52,082)	(10,949)	
Encumbrances (Contract)	(9,936)	(132,989)	
<b>Total Beginning Retained Earnings</b>	<b>\$853,747</b>	<b>\$283,215</b>	